

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6877**

**BILL NUMBER:** HB 1226

**NOTE PREPARED:** Jan 28, 2008

**BILL AMENDED:** Jan 24, 2008

**SUBJECT:** Motor Vehicles.

**FIRST AUTHOR:** Rep. Harris E

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill:

- (1) Provides that under certain circumstances, certain motor vehicles titled outside of Indiana do not need an inspection for an Indiana title to be issued;
- (2) Provides that a person who engages in the business of selling at least 12 off-road vehicles to the general public each year for delivery in Indiana must secure a dealer's license for the sale of motor vehicles from the Secretary of State;
- (3) Repeals language exempting a seller of off-road vehicles from the requirements of a motor vehicle dealer's license.

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:** (Revised) (1) For the State Police, there will be a reduction in staff time associated with the inspection of the vehicles titled out of state. The impact is indeterminable. The funds affected are the state General Fund, the Motor Vehicle Highway Account, and the Motor Carrier Regulation Fund, all of which support the State Police.

**Explanation of State Revenues:** (Revised) (2 and 3) Requiring that a person who engages in the business of selling at least 12 off-road vehicles to the general public each year for delivery in Indiana must secure a dealer's license for the sale of motor vehicles from the Secretary of State and repealing an exemption for sellers of off-road vehicles will mean additional revenue to the state of an indeterminable amount. The following table shows the various dealer licenses issued and the corresponding fee charged.

License	Fee
Manufacturers	\$35, plus \$10 for each factory branch in the state
Distributors	\$35, plus \$30 for the first location and \$10 for each location not immediately adjacent to it.
Dealer or Auctioneer	\$30 for its first location and \$10 for each location not immediately adjacent to it.
Factory representatives, distributors' representatives, wholesaler dealers, transfer dealers and brokers	\$20; Offsite license is \$25

Distribution of the funds is as follows:

Motor Vehicle Odometer Fund, then redistributed to  
the Motor Vehicle Highway Account- 40%  
Bureau of Motor Vehicles - 30%  
State Police - 20%  
Attorney General- 10%

Revenue for FY 2007 amounted to \$581,000.

**Background Information:** The Secretary of State reports the following licenses issued from July 1, 2007, through December 31, 2007.

Number Issued	Type of License Issued
5,583	Motor Vehicle Dealer
768	Salvage
201	Watercraft
6,555	Total

Revenue for the period amounted to \$1.71 M.

**Explanation of Local Expenditures:** (Revised) (1) For local law enforcement agencies, there will be a reduction in staff time associated with the inspection of the vehicles titled out of state. The impact is indeterminable.

**Explanation of Local Revenues:** (Revised) (1) The Indiana Sheriffs' Association reports that there may be a few sheriffs in the state who charge for the inspection, therefore resulting in the potential loss of revenue of an indeterminable amount.

**State Agencies Affected:** Recipients of Motor Vehicle Highway Account distributions (BMV, State Police, Department of Transportation; State Department of Revenue) Bureau of Motor Vehicles; State Police; Attorney General.

**Local Agencies Affected:** Recipients of Motor Vehicle Highway Account distributions; local law enforcement agencies.

**Information Sources:** A.D. Reeves, Director of Vehicle Services, Secretary of State, 317-591-5300; Doug Gosser, Indiana Sheriffs' Association, 317-356-3633.

**Fiscal Analyst:** James Sperlik, 317-232-9866.